

Message Text

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14

ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 TRSE-00 COME-00 L-03 CIAE-00

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DRAFTED BY EB/OT/TA:THGEWECKE:JW

APPROVED BY EB/OT/TA:JWHOLMES

EB/OMA:GWOLF

EUR/CAN:EMBROWN

TREASURY:MFEINBURG

IEPR/FBP:BFREE

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R 122215Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

AMCONSUL TORONTO

LIMITED OFFICIAL USE STATE 243158

E.O. 11652: N/A

TAGS: EFIN, CA

SUBJECT: ONTARIO CORPORATE INCOME TAX

1. ELECTRONICS INDUSTRIES ASSOCIATION HAS BROUGHT TO DEPARTMENT'S ATTENTION RECENT CHANGES IN ONTARIO CORPORATE INCOME TAX LAWS WHICH LIMIT AMOUNT OF MANAGEMENT FEES, RENTS, AND ROYALTIES DEDUCTIBLE FROM INCOME TO SEVEN-TWELFTHS OF TOTAL AMOUNT WHEN ONTARIO FIRM AND FOREIGN FIRM DO NOT DEAL WITH EACH OTHER AT "ARMS LENGTH".

2. DEPARTMENT IS CONCERNED ABOUT POSSIBILITY THAT THIS REGULATION MAY DISCRIMINATE AGAINST U.S. SUBSIDIARIES IN CANADA AND REQUESTS EMBASSY OR CON GEN TO FORWARD TEXT OF LAW ALONG WITH ANY INFORMATION OBTAINABLE REGARDING USE OF OWNERSHIP AS CRITERION UNDER THIS LAW FOR PRESUMING TRANSACTIONS TAKE PLACE AT LESS THAN ARMS LENGTH.

PORTER

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Message Attributes

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Draft Date: 12 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
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Review Comment: n/a
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Review Event:
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Review Media Identifier:
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Review Release Event: n/a
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